

**BEFORE THE TENNESSEE STATE BOARD OF EQUALIZATION**

|        |   |   |               |
|--------|---|---|---------------|
| IN RE: | John L. Summitt                             | ) |               |
|        | Dist. 3, Map 67C, Group A, Control Map 67C, | ) | Monroe County |
|        | Parcel 12.00, S.I. 000                      | ) |               |
|        | Residential Property                        | ) |               |
|        | Tax Year 2005                               | ) |               |

**INITIAL DECISION AND ORDER**

**Statement of the Case**

The subject property is presently valued as follows:

| <u>LAND VALUE</u> | <u>IMPROVEMENT VALUE</u> | <u>TOTAL VALUE</u> | <u>ASSESSMENT</u> |
|-------------------|--------------------------|--------------------|-------------------|
| \$9,000           | \$45,400                 | \$54,400           | \$13,600          |

An appeal has been filed on behalf of the property owner with the State Board of Equalization. The undersigned administrative judge conducted a hearing in this matter on March 30, 2006 in Madisonville, Tennessee. In attendance at the hearing were John L. Summitt, the appellant, and Monroe County Property Assessor, Michael G. Shadden.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

Subject property consists of a single family residence located at 202 Ingram Street in Madisonville, Tennessee.

The taxpayer contended that subject property should be valued at \$30,000. In support of this position, Mr. Summitt argued that he purchased subject property in an arm's length transaction on July 11, 2003 for \$25,000. Mr. Summitt asserted that a 10% adjustment for time should be adequate given a January 1, 2005 assessment date.

The taxpayer also testified that when he purchased subject property it was listed with a realtor for \$32,000. According to Mr. Summitt, his offer of \$27,500 was accepted.

The assessor contended that subject property should be valued at \$54,000. In support of this position, seven (7) sales bracketing the assessment date were introduced into evidence. Mr. Shadden noted that the sales ranged from \$43,500 to \$75,000 with most sales reflecting prices of approximately \$65,000.

Mr. Shadden maintained that subject property was in an area that experienced significant appreciation between July 11, 2003 and January 1, 2005. Given the comparable sales, Mr. Shadden maintained that the current appraisal of \$54,400 appeared indicative of market value.

The basis of valuation as stated in Tennessee Code Annotated Section 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values . . ."



After having reviewed all the evidence in the case, the administrative judge finds that the subject property should remain valued at \$54,400 absent additional evidence from the taxpayer.

Since the taxpayer is appealing from the determination of the Monroe County Board of Equalization, the burden of proof is on the taxpayer. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Quality Control Board*, 620 S.W.2d 515 (Tenn. App. 1981).

The administrative judge often accords the sale of the subject property most weight. However, one sale does not necessarily establish market value. As observed by the Arkansas Supreme Court in *Tuthill v. Arkansas County Equalization Board*, 797, S. W. 2d 439, 441 (Ark. 1990);

Certainly, the current purchase price is an important criterion of market value, but it alone does not conclusively determine the market value. An unwary purchaser might pay more than market value for a piece of property, or a real bargain hunter might purchase a piece of property solely because he is getting it for less than market value, and one such isolated sale does not establish market value.

The administrative judge finds that the sales introduced by the assessor indicate a significantly higher range of value for homes in the immediate area on the relevant assessment date. Based upon the evidence currently in the record, it appears that the taxpayer either purchased subject property for less than its market value or has not adequately accounted for appreciation.

The administrative judge finds it significant that Mr. Summitt did not introduce any other comparable sales. Absent such proof, the administrative judge must respectfully conclude that the contended value of \$30,000 falls far below the range established by the seven sales introduced by the assessor.

#### ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2005:

| <u>LAND VALUE</u> | <u>IMPROVEMENT VALUE</u> | <u>TOTAL VALUE</u> | <u>ASSESSMENT</u> |
|-------------------|--------------------------|--------------------|-------------------|
| \$9,000           | \$45,400                 | \$54,400           | \$13,600          |

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.


Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:



1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or
3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 20th day of April, 2006.

  
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MARK J. MINSKY  
ADMINISTRATIVE JUDGE  
TENNESSEE DEPARTMENT OF STATE  
ADMINISTRATIVE PROCEDURES DIVISION

c: Mr. John L. Summitt  
Michael G. Shadden, Assessor of Property